

# Labor-Management Compensation Reform Update

March 2002

## Letter from the Mayor

March 2002

Dear Employees:

Investing in our employees is a cornerstone of the District's current strategic plan. One area in which the District needs improvement—when compared to other regional employers—is in the area of employee compensation. This year, we have begun the process of reforming our compensation and classification system.

In October 2001, we took an historic step by creating the Labor-Management Compensation Reform Task Force, comprised of an equal number of labor leaders from Compensation Units 1 & 2 as well as management. The task force has completed the first phase of the project: pay schedule consolidation.

On March 5, the DC Council approved the pay resolution that puts these consolidated schedules into effect. During April 2002, we will roll out the consolidated pay schedules, reorganized into occupational groups, for more than 7,500 union employees. These new pay schedules will also reflect the 4% pay increase for Fiscal Year 2002, retroactive to January 13, 2002.

Next, this task force will address the more complicated issue of reforming the overall compensation system. This task force represents a true partnership of labor and management. I would like to thank the employees of Compensation Units 1 & 2 and their labor leadership for their patience during the completion of this phase of the project, and I would also like to recognize the task force for being at the forefront of compensation reform in the District.

Sincerely,

Anthony A. Williams  
Mayor

## Top 10 Reasons

### Classification and Compensation Reform is Great for the District

- 1. Partnership** - Labor and management worked together in an extraordinary effort to consolidate 21 pay schedules into 10 for approximately 7,500 union employees in Compensation Units 1 & 2. In working through the challenges as a team, labor and management have discovered new ways of partnering to achieve results together.
- 2. Pride in ownership** - Historically, the District has followed the Federal government's personnel systems. Classification and compensation reform will allow the District to develop an independent, customized compensation and classification system that is streamlined and more efficient.
- 3. Investing in you** - Employees are an important part of the commitment to generate successful results for the District. We're committed to improving the work lives of our employees; this pay project is just one example of that commitment.
- 4. Improving the quality of District services** - The labor and management partnership will continue to sponsor initiatives that invest in employees, because efficient, high quality services begin with satisfied employees.
- 5. It's a win-win situation** - Employees and the District benefit through pay consolidation as well as classification and compensation reform.

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(*Top 10 Reasons...continued from page 1*)

**6. Administrative efficiency** - The new system consolidates 21 pay schedules into 10 schedules based on 9 occupational groups. As a result, the District's payroll system will be simplified and salary administration will be easier.

**7. Modernizing the pay system** - Pay schedules will be based on occupational categories, giving the District a more modern compensation program that's similar to what other leading employers are doing. This project will enhance our competitiveness in attracting and retaining our workforce.

**8. Equal pay for equal work** - The pay schedule consolidation aligns compensation on a more consistent basis. For example, currently a clerk/typist in one agency may have been paid on a different pay schedule than another clerk/typist in a different agency. The next step in the project is classification and compensation reform.

**9. A pay system that's easier to understand** - It'll be easier for employees to understand on which schedule they are paid when job titles are tied to an occupational group.

**10. Enhancing the District's standing as a competitive employer** - The District's standing as a state, city and county government makes it unique among other public employers. The District's current pay schedules are also unique and complex compared to other public employers. However, with pay consolidation and eventual compensation and classification reform, the new pay schedules will be streamlined and efficient, and on par with leading area employers.

*"The joint labor-management committee is to be commended for their hard work in the successful pay schedule consolidation. The result of this initiative is a win-win for both District employees and the District government. There is much more ahead for us to do; however, this initiative demonstrates the willingness and ability of labor and management to work together to achieve common goals."*

Linda W. Cropp  
Chairman, Council of the District of Columbia

## 9 Occupational Groups

Clerical/Administrative

Corrections and Others

Health Care

Information Technology

Legal

Maintenance/Trades/Labor

Professional/Program Administration

Protection and Enforcement

Science and Engineering

## Summary of Collective Bargaining Agreement Salary Provisions

~~✍~~ The Compensation Agreement Between the District of Columbia Government and Compensation Units 1 and 2 covers FY2001 through FY2003 and remains in full force and effect through September 30, 2003.

~~✍~~ In FY 2001, employees received a 4% salary increase, effective October 8, 2000, plus a \$500 bonus; these were received in 2001.

~~✍~~ There will be a consolidation of current salary schedules in conjunction with the 4% salary increase for FY 2002.

~~✍~~ In FY 2002, employees will receive a 4% salary increase plus an increase of **at least** ½ %, retroactive to January 13, 2002, on April 16 or April 19, 2002.

~~✍~~ The ½ % increase will be received in one of three ways: as a one-time bonus, as an increase to base pay, or as a combination of a bonus and a base pay increase.

~~✍~~ In FY 2003, employees will receive a 4 % increase, effective the first full pay period on or after April 1, 2003.

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## Frequently Asked Questions

### Am I getting another 4% pay increase this year?

Yes, employees in Compensation Units 1 & 2 will receive a 4% increase, retroactive to the first full pay period of January 2002.

### When will I receive this increase?

You will see this increase in the paycheck you receive on April 16 or April 19, depending on your pay group.

### Will the raise be retroactive?

Yes, you will also receive a retro check for the period of January 13 to March 23 on April 16 or April 19, 2002.

### Will I also get a bonus or base pay increase on the new pay scale?

The compensation agreement ensures that each employee will receive an additional amount of at least ½ %. Some people will see this as an increase in their base pay, some will see it entirely as a bonus, and others will receive a combination of a bonus and a base pay increase.

### When will this bonus be paid?

The bonus will be paid at the same time as the other paychecks, on April 16 or April 19, 2002.

### Who developed the new pay schedules?

The schedules were developed by The Segal Company, a consulting firm selected by the unions and the District, and members of the Labor-Management Compensation Reform Task Force.

### What is pay consolidation?

Pay consolidation is the first step toward simplifying compensation and classification systems within the District government. We have consolidated 21 pay schedules into 10 schedules based on 9 occupational groups.

### Why didn't we get the 4% increase in January?

The compensation agreement called for the 4% pay increase to be made in conjunction with the consolidation of pay schedules.

### How will I know what my new salary is?

In early April you will receive a letter that explains your new FY02 salary, occupational group, pay schedule, and how much you may receive for the bonus. Each employee will receive this letter at his or her home address.

### Who should I talk to if I have questions?

Please contact your union leader, your agency's labor liaison, or your agency's Human Resource Advisor.

*"In addition to wage increases of 4% retroactive to October 2000, a second 4% increase retroactive to the first full pay period in January 2002, and a final 4% due in April 2003, the current contract called for the creation of a joint labor-management committee on compensation and classification. In just three months, this committee was able to agree on a plan to replace the old, complicated pay system with a more modern, understandable plan.*

*We are glad to serve as partners with the District management and look forward to continuing to work together to give the city employees the compensation they deserve in relation to the federal and private sectors and to give District residents services we can all be proud of."*

Geo T. Johnson  
Administrator  
Council 20

David Schlein  
Vice President,  
AFGE District 14

*“The collaborative efforts of the D.C. Labor-Management Compensation Reform Task Force have been a tremendous success. This effort, which was a product of lengthy compensation negotiations, will provide understandable pay schedules for employees and a manageable system for the District.*

*Working together, labor and management...have created a positive climate of cooperation that will carry forward into future compensation and classification reform.”*

Mary E. Leary  
Director, Office of Labor Relations &  
Collective Bargaining

## What's Next:

Planning for Classification  
and Compensation Reform

March through  
September

Individual letters to  
employees

Early April

Employees receive FY02  
increase, including  
retroactive check and  
bonus check  
(if eligible)

April 16 or April 19

## Members of the Labor-Management Compensation Reform Task Force

Milou Carolan, Director, DC Office of Personnel  
Geo T. Johnson, Administrator, AFSCME Council 20  
Mary Leary, Director, Office of Labor Relations and Collective Bargaining  
David Schlein, National Vice President, AFGE District 14

### Labor Management Representatives

Barbara Bailey, DHS  
Ellen Flaherty, DC Library  
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Bertha Guerra, DPW  
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The Segal Company

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